

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: BRIAN F. GIMELSON

FILE NO. 0400287

CONSENT ORDER OF WITHDRAWAL

TO THE RESPONDENT: Brian F. Gimelson
(CRD #: 2262474)
314 Powderhorn Road
Fort Washington, Pennsylvania 19034

Brian F. Gimelson
3070 Bristol Pike
Suite 215 Building 1
Bensalem, PA 19020

c/o Sterling Financial Investment Group, Inc.
225 N.E. Mizner Boulevard
Suite 400
Boca Raton, Florida 33432-3945

WHEREAS, Respondent on the 29th day of September 2004 executed a certain Stipulation to Enter Consent Order of Withdrawal (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated July 5, 2004 in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Withdrawal ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

Consent Order of withdrawal

- 2 -

1. That at all relevant times Respondent was registered with the Secretary of State as a salesperson in the State of Illinois pursuant to Section 8 of the Act.
2. That on February 20, 2004, NASD entered a Letter Of Acceptance, Waiver And Consent (AWC) submitted by the Respondent regarding File No. C07040018 which sanctioned the Respondent as follows:
 - A. suspension from association with any member of NASD member firm in all capacities for twenty (20) business days; and
 - b. fined \$5,000
3. That the AWC, among other matters, found that between October 18, 2000 and November 13, 2000, on eleven separate days during that period, the Respondent recklessly and/or intentionally effected agency cross transactions in the stock of Greg Manning Auctions, Inc. ("GMAI"), at or near the close of the trading day, at prices higher than the prevailing national best offer price for GMAI. In each such instance, the trades occurred at prices that were \$0.0312 to \$0.2187 higher than the previous national best offer for GMAI, and all but one of the transactions was entered less than two minutes before the close of the trading day. In each such transaction, the buyer was the principal shareholder of GMAI and was aware that it was purchasing GMAI stock at above-market prices.

As a result of his conduct, the Respondent was able to cause market appreciation in the margin accounts of several of his customers at Sterling, and by virtue of the manner in which Sterling's clearing firm calculated margin liabilities, to decrease the amount of margin exposure in those accounts. Such conduct by the Respondent was manipulative, deceptive, and/or fraudulent, in violation of NASD Rules 2110, 2120 and 3310.
4. That Section 8.E(1)(j) of the Act provides, inter alia, that the registration of a salesperson may be revoked if the Secretary of State finds that such salesperson has been suspended by any self-regulatory organization registered under the Federal 1934 Act or the Federal 1974 Act arising from any fraudulent or deceptive act or a practice in violation of any rule, regulation or standard duly promulgated by the self-regulatory organization.
5. That NASD is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.

Consent Order of withdrawal

- 3 -

WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusion of Law:

That by virtue of the foregoing, the Respondent's registration as a salesperson in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(j) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that:

1. He shall cause to have his registration as a salesperson in the State of Illinois withdrawn within three (3) days from the entry of this Consent Order and will not re-apply for registration for a period of two (2) years from the entry of his Consent Order; and
2. He shall pay the sum of Five Hundred dollars (\$500.00) to the Office of the Secretary of State, Investors Education Fund as reimbursement to cover the cost of investigation of this matter. Said sum shall be payable by means of certified or cashier's check and made to the order of the Secretary of State, Investors Education Fund and shall be due within thirty (30) days from the entry of this Consent Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. Brian F. Gimelson shall cause to have his registration as a salesperson in the State of Illinois withdrawn within three (3) days from the entry of this Consent Order and will not re-apply for registration for a period of two (2) years from the entry of this Consent Order.
2. Brian F. Gimelson shall pay the sum of Five Hundred dollars (\$500.00) to the Office of the Secretary of State, Investors Education Fund as reimbursement to cover the cost of investigation of this matter. Said sum shall be payable by means of certified or cashier's check and made to the order of the Secretary of State, Investors Education Fund and shall be due within thirty (30) days from the entry of this Consent Order.

Consent Order of withdrawal

- 4 -

3. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

DATED: This 30th day of September 2004.

A handwritten signature in black ink, appearing to read "Jesse White", with a stylized flourish at the end.

JESSE WHITE
Secretary of State
State of Illinois